



INTERNATIONAL
URANIUM (USA)
CORPORATION

m/37/006

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December 10, 2002

Paul B. Baker, Reclamation Biologist
State of Utah Department of Natural Resources
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, UT 84114-5801

RECEIVED

DEC 13 2002

DIV. OF OIL, GAS & MINING

Re: Electric Transformers at Mine Sites

Dear Mr. Baker:

The Division of Oil, Gas and Mining (the "Division") conducted Site Inspections at the Rim Mine (Permit M/037/006) on August 14, 2002, and at the Hecla Shaft (Permit M/037/043), Redd Block IV (Permit M/037/046), LaSal/Beaver/Snowball (Permit M/037/026), and the Pandora (Permit M/037/012) on May 1, 2002, and again on August 15, 2002. Representatives of the Operator accompanied the Division personnel and the BLM representative on the inspections on August 15.

One item noted during the Site Inspections was the topic of electrical transformers at the mine sites. The Division inspectors and the BLM representative requested that the Operator provide a list of the transformers at the mine sites, and the list is to include the PCB analyses that were performed on the transformers. This list is attached herewith.

In response to a specific incident at the Rim Mine, and to address other stability and security concerns, the Operator has undertaken a number of actions pertaining to electrical transformers at the mines sites. The following chronology describes site activities that have involved transformers at the mine sites:

1. April, 2002 – **Rim Mine.** The BLM Monticello office and San Juan County notified the Operator that a transformer pole (service to mine vent hole) had blown down at the Rim Mine and spilled the contents of three transformers. The Operator dispatched a representative to test the spilled oil for PCB contamination and to clean up the debris from the incident. The quick field tests for PCB's in the oil had negative results (PCB -free). The contaminated soil was aerated by chiseling, and the spill site was fenced. The three damaged transformers were removed to the White Mesa Mill. Samples of the oil and the contaminated soil were taken by the BLM and San Juan County representatives. Subsequent analyses of these samples showed PCB levels below detection limits.

2. September 2002 - **Rim Mine**. The Operator initiated a number of site cleanup and maintenance activities (will be reported separately) in September. During the April incident and the Site Inspection by Division personnel in August, a transformer platform was noted to be sagging, and the transformers appeared to be in possible danger of toppling. The Division requested that the Operator solve this problem. The three transformers were removed from the platform in September 2002 and moved to the White Mesa Mill for secure storage. The site of the April transformer oil spill was re-aerated.
3. October 2002 - **Pandora Mine**. During surveying work to update site maps, the Operator discovered that the main transformer bank at the Pandora Mine had been vandalized - three transformers were shot which lead to leakage of a portion of the oil contents of the transformers. Upon learning of this incident, the Operator directed equipment and personnel that were conducting maintenance activities at nearby mine sites to relocate to the Pandora site. All transformers were removed from the platform (there were six transformers at this site), and these transformers have been moved to the White Mesa Mill for secure storage. The oil-contaminated soil under the transformer platform was thoroughly aerated by chiseling. Additional aeration will be performed in the future to ensure success of this remediation technique.
4. October 2002 - **Pandora West Underground**. Three transformers, which provide underground power, were removed from the platform in the field, and the transformers were moved to the White Mesa Mill for secure storage.
5. October 2002 - **2200 Vent**. A total of four transformers were removed at a transformer platform which provided power to a vent fan. The transformers were moved to the White Mesa Mill for secure storage.
6. October 2002 - **LaSal Mine yard**. Three transformers, which provided power for a compressor station in the LaSal yard, had been removed from a platform by the previous Operator. These transformers were sitting on the ground and were unsecured, so they were moved to the White Mesa Mill for secure storage.
7. October 2002 - **Hecla Shaft**. One large transformer used to provide surface power at the mine site was moved to the White Mesa Mill for secure storage.

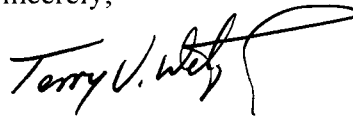
The transformers noted in the descriptions above are highlighted in yellow on the attached list.

Paul B. Baker, Reclamation Biologist
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The Operator has been surveying all mines sites in conjunction with the request for extension of "Suspended Operations" status at the mines and to provide updated site maps to support reclamation surety review. The Operator has also performed a number of site maintenance chores (some of which are noted herein); the site activities will be reported in detail when we submit new site maps in the next few weeks.

Please contact me at 303-389-4161 or by e-mail at 'twetz@intluranium.com' if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Terry V. Wetz", with a stylized flourish extending from the end.

Terry V. Wetz
Director of Project Development
International Uranium (USA) Corporation

Attachment

cc: Denice Swanke, Moab BLM
Ted McDougall, Monticello BLM
Ronald E. Berg
David C. Frydenlund
Ron F. Hochstein
Central Files Permits: M/037/043
M/037/026
M/037/012
M/037/046
M/037/006

INTERNATIONAL URANIUM (USA) CORPORATION

INVENTORY OF TRANSFORMERS - UTAH

December 2002

Permit/Mine	Manufacturer	Manufacturer Serial No.	KVA	Sample Date	PCB (ppm)	Laboratory Sheet Avail.	Comments
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Rim Mine

Permit M/037/006

Water Plant	RTE	811027744	15	9/6/1989	N.D.	Yes	
Water Plant	RTE	811114596	15	9/6/1989	N.D.	Yes	
Water Plant	RTE	811114595	15	9/6/1989	N.D.	Yes	
#1 Vent Hole	T&R	13731	75	9/6/1989	N.D.	Yes	Removed Apr. 2002
#1 Vent Hole	T&R	13732	75	9/6/1989	N.D.	Yes	Removed Apr. 2002
#1 Vent Hole	T&R	13738	75	9/6/1989	N.D.	Yes	Removed Apr. 2002
Main Sub	RTE	751065021	167	9/6/1989	N.D.	Yes	Removed Sep. 2002
Main Sub	RTE	761012284	167	9/6/1989	N.D.	Yes	Removed Sep. 2002
Main Sub	RTE	761027985	167	9/6/1989	N.D.	Yes	Removed Sep. 2002
Hoist	Westinghouse	63SK116	100	9/6/1989	N.D.	Yes	
Hoist	Westinghouse	63SK118	100	9/6/1989	N.D.	Yes	
Hoist	Westinghouse	63SJ2017	100	9/6/1989	N.D.	Yes	

Pandora

Permit M/037/012

Main Sub	Westinghouse	78A472539	167	8/31/1989	N.D.	Yes	Removed Oct. 2002
Main Sub	Westinghouse	78A473301	167	8/31/1989	N.D.	Yes	Removed Oct. 2002
Main Sub	Westinghouse	79A204722	167	8/31/1989	N.D.	Yes	Removed Oct. 2002
Main Sub	Wagner	5L14189	167	8/31/1989	1.5	Yes	Removed Oct. 2002
Main Sub	Wagner	5L16415	167	8/31/1989	N.D.	Yes	Removed Oct. 2002
Main Sub	Wagner	5L16416	167	8/31/1989	N.D.	Yes	Removed Oct. 2002
West Underground	T&R	20203	167	9/5/1989	53.0	Yes	Removed Oct. 2002
West Underground	T&R	20202	167	9/5/1989	30.0	Yes	Removed Oct. 2002
West Underground	T&R	20204	167	9/5/1989	41.0	Yes	Removed Oct. 2002
#4 Vent Hole	RTE	772019732	50	8/31/1989	N.D.	Yes	
#4 Vent Hole	RTE	772019736	50	8/31/1989	N.D.	Yes	
#4 Vent Hole	RTE	772019733	50	8/31/1989	N.D.	Yes	
#5 Vent Hole	RTE	772029854	50	9/5/1989	N.D.	Yes	
#5 Vent Hole	RTE	772029852	50	9/5/1989	N.D.	Yes	
#5 Vent Hole	RTE	772029851	50	9/5/1989	N.D.	Yes	
East Haulage	Howard Ind.	422144575	167	8/31/1989	N.D.	Yes	
East Haulage	Howard Ind.	422164575	167	8/31/1989	N.D.	Yes	
East Haulage	Howard Ind.	422154575	167	8/31/1989	N.D.	Yes	

LaSal/Snowball/Beaver

Permit M/037/026

Snowball Main Sub	Moloney	1543541	100	8/31/1989	N.D.	Yes	
Snowball Main Sub	Moloney	1537621	100	8/31/1989	N.D.	Yes	
Snowball Main Sub	Moloney	1543538	100	8/31/1989	N.D.	Yes	
#1 Vent Hole	Moloney	1505303	50	8/31/1989	N.D.	Yes	
#1 Vent Hole	Moloney	1489730	50	8/31/1989	3.2	Yes	
#1 Vent Hole	Weaver	18216	50	8/31/1989	N.D.	Yes	
#2 Vent Hole	Westinghouse	61H12391	50	8/31/1989	14.0	Yes	
#2 Vent Hole	Westinghouse	61H12392	50	8/31/1989	12.0	Yes	
#2 Vent Hole	Westinghouse	61H12393	50	8/31/1989	20.0	Yes	
Undgrnd & Vent 1800	Weaver	19718	100	1/24/1985	4.6	Yes	
Undgrnd & Vent 1800	Weaver	19720	100	1/24/1985	N.D.	Yes	
Undgrnd & Vent 1800	Weaver	19719	100	1/24/1985	8.4	Yes	
Betz	Marcus	18179	100	8/22/1989	N.D.	Yes	
2300 Vent Hole	Westinghouse	17457	75	8/31/1989	4.4	Yes	
2300 Vent Hole	T&R	31147	100	8/31/1989	32.0	Yes	
2300 Vent Hole	Standard	18014	100	8/31/1989	N.D.	Yes	
2300 Vent Hole	Standard	18015	100	8/31/1989	N.D.	Yes	

<u>Permit/Mine</u>	<u>Manufacturer</u>	<u>Serial No.</u>	<u>KVA</u>	<u>Sample Date</u>	<u>PCB (ppm)</u>	<u>Laboratory Sheet Avail.</u>	<u>Comments</u>
Beaver #1	General Electric	18347	250	6/3/1989	N.D	Yes	
Beaver #2	General Electric	18348	250	6/3/1989	N.D	Yes	
Beaver #3	General Electric	18349	250	6/3/1989	N.D	Yes	
Beaver #4	Moloney	19911	100	6/3/1989	N.D	Yes	
Yard	Central	19392	100	6/3/1989	N.D	Yes	
Beaver #6	Central	19393	100	6/3/1989	N.D	Yes	
1060 Sub	Westinghouse	1589187	100	6/3/1989	15.0	Yes	
1060 Sub	Westinghouse	1589186	100	6/3/1989	N.D	Yes	
1060 Sub	Westinghouse	1589185	100	6/3/1989	15.0	Yes	
900 Vent	Gardner	80226	50	6/3/1989	N.D	Yes	
900 Vent	Gardner	80227	50	6/3/1989	N.D	Yes	
900 Vent	Gardner	80222	50	6/3/1989	N.D	Yes	
500 Vent	General Electric	D966326-59Y	50	6/3/1989	N.D	Yes	
500 Vent	General Electric	D968923-59Y	50	6/3/1989	N.D	Yes	
500 Vent	General Electric	D971955-59Y	50	6/3/1989	N.D	Yes	
2200 Vent	Allis Chalmers	1770618	100	6/3/1989	N.D	Yes	Removed Oct. 2002
2200 Vent	Westinghouse	64C630	250	6/3/1989	74.0	Yes	Removed Oct. 2002
2200 Vent	Westinghouse	77A27009	250	6/3/1989	N.D	Yes	Removed Oct. 2002
2200 Vent	Westinghouse	64C629	250	6/3/1989	14.0	Yes	Removed Oct. 2002
LaSal Incline	Moloney	148430	100	6/3/1989	N.D	Yes	
LaSal Incline	Moloney	1490603	100	6/3/1989	5.0	Yes	
LaSal Incline	Moloney	1484379	100	6/3/1989	N.D	Yes	
Yard	Moloney	1489733	50	6/3/1989	N.D	Yes	
Yard	Central	19391	100	6/3/1989	N.D	Yes	
LaSal XLE Comp	Esco	23843	167	9/1/1991	2.0	No	Removed Oct. 2002
LaSal XLE Comp	Esco	23844	167	9/1/1991	2.0	No	Removed Oct. 2002
LaSal XLE Comp	Esco	23845	167	9/1/1991	2.0	No	Removed Oct. 2002
Beaver Shaft	Howard	13051-1180	100	11/12/1990	?	No	San Miguel Power
Beaver Shaft	Howard	29783-2280	100	11/12/1990	?	No	San Miguel Power
Beaver Shaft	Howard	29781-2280	100	11/12/1990	?	No	San Miguel Power
Beaver #5	CTC	18126	100	8/15/1989	1.4	Yes	

Hecla Shaft

Permit M/037/043

Hecla	Porter	P690020	1000	6/3/1989	N.D.	Yes	
Hecla	Weaver	19003	1000	6/3/1989	81.0	Yes	Removed Oct. 2002
Main Sub - Oil Switch		H1-1		8/6/1992	14.0	Yes	
Main Sub - Oil Switch		H1-2		8/6/1992	21.0	Yes	
Main Sub - Oil Switch		H1-3		8/6/1992	21.0	Yes	
Main Sub - Oil Switch		H2-1		8/6/1992	19.0	Yes	
Main Sub - Oil Switch		H2-2		8/6/1992	20.0	Yes	
Main Sub - Oil Switch		H2-3		8/6/1992	10.0	Yes	
Main Sub - Oil Switch		H3-1		8/6/1992	13.0	Yes	
Main Sub - Oil Switch		H3-2		8/6/1992	19.0	Yes	
Main Sub - Oil Switch		H3-3		8/6/1992	20.0	Yes	